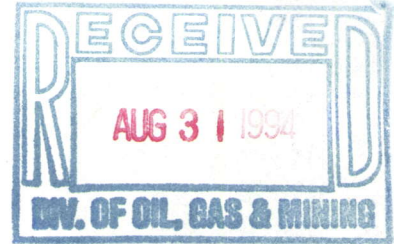


SLC ENVIRONMENTAL, LLC.
P.O. Box 522075
Salt Lake City, Utah 84152
(801) 350-7402



August 29, 1994

Steve Winslow
U.S. Forest Service
P.O. Box E
Beaver, Utah 84713

Re: the Deer Trail Mine operation

Dear Steve:

As requested by Lynn Findlay, I am sending you copies of certain provisions of the Lease Agreement between Deer Trail Development Corporation, now called "Fehrprop", and Unico, Inc. As you will see from the enclosed documents, Unico is required to leave all buildings, equipment and improvements on the property at the end of the Lease period. Therefore, we are unable to specify, in the Plan of Operations submitted to you for your review and approval, the time period for reclamation of the area involving Forest Service land and the reclamation procedures that will take place on Forest Service lands. I hope this clarifies any questions you have in this area. If you have any further questions please call at your convenience.

Cordially:

Charles A. Schultz
for Lionel V. Koon
Acting Mine Manager

LVK/cas

cc: Lynn Cunzler
Steve Evans
Lionel V. Koon
file

MINING LEASE AND
OPTION TO PURCHASE

ENTRY NO.	95976
RECORDED AT REQUEST OF:	
UNICO, INC.	
APRIL 9	A.D. 1992
AT 4:00 PM	PAST 4 O'CLOCK P.M.
IN BOOK "KK"	OF MINING
PAGE 266-278	FEE \$ 102.50
<i>Shane A. Millett</i>	
RECORDER, PIUTE COUNTY, UTAH	

Lease made MARCH 30, 1992, between Deer Trail Development Corporation, a Utah corporation ("Deer Trail") of 12900 Preston Road, Suite 1112, Dallas, Texas 75230, as Lessor and Unico, Incorporated, an Arizona corporation ("Unico") of P.O. Box 777, Magalia, California 95954, as Lessee.

WHEREAS Deer Trail is the owner of certain mining claims more fully described below (the "Claims") and desires to lease the Claims to Unico; and

WHEREAS Deer Trail has taken all necessary board action and no shareholder action is necessary to approve the lease of the Claims to Unico;

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Property Leased and Purchase Option. In consideration of the royalties, covenants and agreements hereinafter expressed to be paid, kept and performed by Unico, Deer Trail hereby leases to Unico the following premises near Marysville, Utah, County of Piute, consisting of patented and unpatented mining claims and mill sites:

See attached Exhibit A

The leased premises includes within its bounds, but is not limited to, those workings commonly known as the "Deer Trail Mine", the "PTH tunnel" and premises, the "Carisa and Lucky Boy mines" and the "deep target" molybdenum-copper prospect potential believed by Phelps Dodge and the U.S. Geological Service to exist, to the extent that the "deep target" lies beneath the claim groups described on Exhibit A. In the event Lessor acquires a group of approximately 33 claims adjoining the Claims described on Exhibit A, which claims were formerly owned by Joe Burns, Lessor grants to Lessee an option during the term of this lease to acquire said claims for Lessor's acquisition costs or staking costs for said claims and reimbursement to Lessor of its minimum annual assessment costs expended to maintain the claims from the time of acquisition to the time of exercise of the option.

As additional consideration for the payment of the advance royalty, royalties and other commitments of Lessee found herein, Lessor hereby grants to Lessee an option to purchase all of the Claims and mill sites as described herein and on Exhibit A attached

As an additional example, if the cash purchase price were \$2,000,000 and the Lessor elected the 5% carried interest in lieu of the cash payment, then Lessee could reduce the carried interest to as low as 2½% by paying up to \$1,000,000.

Lessor agrees to furnish Lessee with copies of (or at its option to make available for copying by Lessee) all maps, drawings reports and any available mine history, showing the location of drill holes, drifts driven, stockpiles, blocked out reserves, probable and or possible reserve estimates, assays, assay reports, development and other data, as is reasonably available to Lessor. Lessee agrees to return any and all such information to Lessor as soon as copied or within 30 days. Lessor shall furnish Lessee copies of drilling reports on the property at the time of signing of this Lease, which shall be returned to Lessor as provided above. At any termination of this lease, Lessee agrees to furnish any similar data or information as to its development of the Claims to Lessor on the same basis. Lessee agrees to accept the property "as is" and to indemnify and hold Lessor harmless for any damages incurred by Lessor arising out of damage to property or person of the employees or agents of Lessee, or any other person (other than the Lessor and those acting in Lessor's behalf) where such damage arises on account of or in connection with the use, operation or development of the property by Lessee. Lessee agrees to have in effect at the Effective Date and during the term of this lease a public liability insurance policy in a reasonable amount, being at least \$1,000,000 per occurrence insuring against liability for damage to person or property which may arise from operation of the Lease.

Lessor agrees, warrants and represents that its board of directors has taken all action necessary to enter into this Mining Lease-Option to Purchase Agreement and that shareholder approval of this Mining Lease-Option to Purchase Agreement is not necessary. Lessor further agrees, warrants and represents that neither the execution of this document nor the exercise of the purchase option by Lessee would result in the disposition of all or substantially all of the assets of Lessor so as to require shareholder approval under Utah law. Further, Lessor agrees, warrants and represents that in the event any shareholder of Lessor threatens to contest or contests, by court action or otherwise, the grant or validity of the Lease or the grant, validity or exercise of the purchase option thereunder, in any manner that it will indemnify and hold harmless Lessee from any and all damages, costs and attorneys fees it may suffer as a result of such contest and Lessor and I.N. Fehr, individually each agree to use their best efforts to obtain (and I.N. Fehr agrees to vote all stock he owns or controls in favor of) any shareholder approval or consent which may be determined to be required and in such event, Lessor and I.N. Fehr agree to recommend in writing approval of the Mining Lease-Option to Purchase to the shareholders of Deer Trail. Lessor further agrees to provide a legal opinion or such further assurances as Lessee may require

Handwritten signature

9. Successors and Assigns. All covenants and agreements contained herein shall extend to and be binding upon the heirs, legal representatives, successors, and assigns of the parties.

10. Termination. Lessee may, at any time, surrender and terminate this lease upon giving to lessor sixty (60) days notice in writing and paying all royalties owing through the effective date of termination. The parties may also terminate this lease by mutual agreement. This Lease shall terminate 10 years from the Effective Date or upon execution of the Purchase Option and payment of the purchase price by Lessee. Lessor may terminate this lease as described in paragraph 8 above or otherwise as permitted by law.

11. Mining Equipment. Unico shall be entitled to use Deer Trail's on site equipment, consisting of air pumps, ore cars, electrical stations, compressors, duct works, fans, trams, rails, hoists, excavating equipment and other equipment in the mine or located on the mining claims comprising the leased premises and shall upon termination of the lease, return such equipment to Deer Trail in as good a condition as received, reasonable wear and tear excepted. Unico shall conduct all maintenance and repair of such equipment during the term of the lease. Unico agrees not to remove such on site equipment from the leased premises.

12. Compliance with Laws. All operations of Lessee shall be conducted so as to comply with the laws of the State of Utah and with all rules, regulations and requirements of federal authorities and Lessee agrees to indemnify and hold harmless Lessor for any obligations, liens or similar liabilities arising as a result of the operations of Lessee and constituting a lien or obligation against the premises. The parties understand and agree that the mine is an underground mine and that no significant reclamation of the mine site is anticipated following normal mining procedures on the Claims. Lessor is not aware of any notice of non-compliance from any governmental agency regarding the property, except as described on Exhibit B, which Exhibit and the agreement contained therein is incorporated herein by reference. Each party to this lease shall be responsible for any environmental, pollution or aesthetic requirements or liability legitimately made or assessed by a governmental entity attributable to each party's respective period of occupancy and operation of the Claims. To the extent permitted by law, Lessee shall be entitled to any depletion allowance on the property as a result of its mining activities.

TH 4

13. Entire Agreement; Governing Law. This lease contains the entire agreement between the parties hereto and any amendments thereto shall be in writing. This lease shall be governed and construed under the laws of the State of Utah.

EXECUTED as of the date first above written.

LESSEE:

Unico, Incorporated

Ray Brown
Ray Brown, President

LESSOR:

Deer Trail Development Corporation

I. N. Fehr
I. N. Fehr, President

As to the agreements, representations and warranties in the last paragraph of paragraph one of this agreement:

I. N. Fehr
I. N. Fehr, individually and as
an authorized officer of Lessor

State of California)
County of Butte) ss

April Personally appeared before me, Ray Brown, this 1st day of ~~March~~, 1992, who declared to me that he is the President of Unico, Incorporated and acknowledged to me that he executed the foregoing lease on behalf of said corporation by authority of a resolution of its board of directors or bylaws.

Marcella D. Sutcliffe
NOTARY PUBLIC

Commission Expires: 1-29-93
Residing At:

